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Report Highlights:

South Africa will remain a net exporter of corn in the 2020/21 MY, on relatively high stock levels, due to an anticipated bumper crop in the 2019/20 MY. Post estimates South Africa could export about 2.2 million tons of corn in the 2019/20 MY. On the other hand, South Africa's wheat imports in the 2019/20 MY are expected to increase by 33 percent to 2.0 million tons, due to a 20 percent drop in production. Wheat imports for the 2020/21 MY are estimated at 1.9 million tons, 5 percent less than in the 2019/20 MY, on increased local production. In the 2020/21 MY, South Africa's rice imports are expected to rise by 1 percent to 1.1 million tons on a marginal increase in demand. In the 2019/20 MY South Africa will import about 1.0 million tons of rice.

Executive Summary

South Africa is expecting a bumper corn crop in the 2019/20 Market Year (MY), which will lower local corn price levels and put downward pressure on the area to be planted with corn later in 2020, for the 2020/21 MY. As a result, Post forecasts that around 2.3 million commercial hectares of corn will be planted later in 2020, which is 11 percent less than the area planted in the 2019/20 MY. Under normal climatic conditions and considering the subsistence farming sector, South Africa's corn crop for the 2020/21 MY could reach 12.6 million tons, which is 21 percent less than the expected corn crop of 16.0 million tons in the 2019/20 MY. However, South Africa should remain a net exporter of corn, despite the expected decrease in commercial production, as stock levels will be relatively high.

South Africa's 2019/20 MY planting season started in October 2019 with extreme hot and dry conditions before decent widespread rainfall occurred and planting could commence. This was followed-up by sufficient rainfall throughout the growing season in most of South Africa's corn producing areas which had a positive impact on anticipated yields. As a result, most industry analysts and experts expect one of the largest corn crops in the history of corn production in South Africa. Post estimates the 2019/20 MY corn crop at 16.0 million tons, 35 percent higher than the 2018/19 MY's crop of 11.8 million tons. As a result, South Africa could export about 2.2 million tons of corn in the 2019/20 MY.

Post estimates producers will plant about 520,000 hectares of wheat in the 2020/21 MY, which could realize a crop of about 1.7 million tons, 13 percent higher than in the 2019/20 MY. As a result, Post forecasts South Africa's imports of wheat and wheat products for the 2020/21 MY at 1.9 million tons, 5 percent less than in the 2019/20 MY. In the 2019/20 MY, South Africa produced a estimated 1.5 million tons of wheat, which represents a decrease of 20 percent from the previous year's crop of 1.9 million tons. The major reason for the drop in production was unfavourable dry weather conditions, especially in the second half of the wheat production season. Due to the drop in production, Post estimates that imports of wheat and wheat products in the 2019/20 MY will increase by 33 percent to 2.0 million tons.

Post foresees a marginal increase in the demand for rice in the 2019/20 MY and 2020/21 MY, due to sluggish economic growth and a projected 35 percent increase in the 2019/20 MY's corn crop, which will diminish the prices of corn products. As a result, South Africa's rice imports are expected to increase by only 1 percent to 1.1 million tons in the 2020/21 MY. In the 2019/20 MY post estimates South Africa will import about 1.0 million tons of rice, which is at the same level as imports in the 2018/19 MY.

US$1 = Rand 16.55 (3/17/2020)

CORN

Production

With a bumper corn crop expected in the 2019/20 MY[1], lower local corn price levels will put downward pressure on the area to be planted with corn later in 2020, for the 2020/21 MY. This is especially true for the white corn areas, as South Africa's second highest white corn crop is expected in the 2019/20 MY. Hence, Post forecasts a 20 percent drop in the 2020/21 MY for the commercial area planted with white corn to 1.3 million hectares. The expected commercial yellow corn area in the 2020/21 MY should be at average levels of about 1.0 million hectares. As a result, Post forecasts that around 2.3 million commercial hectares of corn will be planted later in 2020, for the 2020/21 MY, which is 11 percent less than the area planted in the 2019/20 MY. Under normal climatic conditions and taking into account the subsistence farming sector, South Africa's corn crop for the 2020/21 MY could reach 12.6 million tons, which is 21 percent less than the expected corn crop of 16.0 million tons in the 2019/20 MY (also refer to Table 1).

South Africa's 2019/20 MY planting season started in October 2019 with extreme hot and dry conditions before decent widespread rainfall occurred and planting could commence. Due to the late start of the rains, a large percentage of South Africa's corn in the main producing areas was planted later than normal and outside the optimal planting dates. However, sufficient rainfall throughout the growing season in most of South Africa's corn producing areas has had a positive impact on anticipated yields. As a result, Post expects the second largest crop in the history of corn production in South Africa (see Figure 1).

On February 26, 2020, the Crop Estimates Committee (CEC) released its first commercial production estimate for South Africa's summer rainfall crops. According to the CEC, the South African commercial corn crop for the 2019/20 MY could reach 14.6 million tons on 2.6 million hectares at a national average yield of 5.6 tons per hectare. This represents an increase of 29 percent from the 11.3 million tons commercial corn crop produced in the 2018/19 MY. The CEC estimates the commercial white corn crop at 8.3 million tons and the commercial yellow corn crop at 6.3 million tons. The 14.6 million tons of commercial corn is the highest ever first estimate by the CEC.

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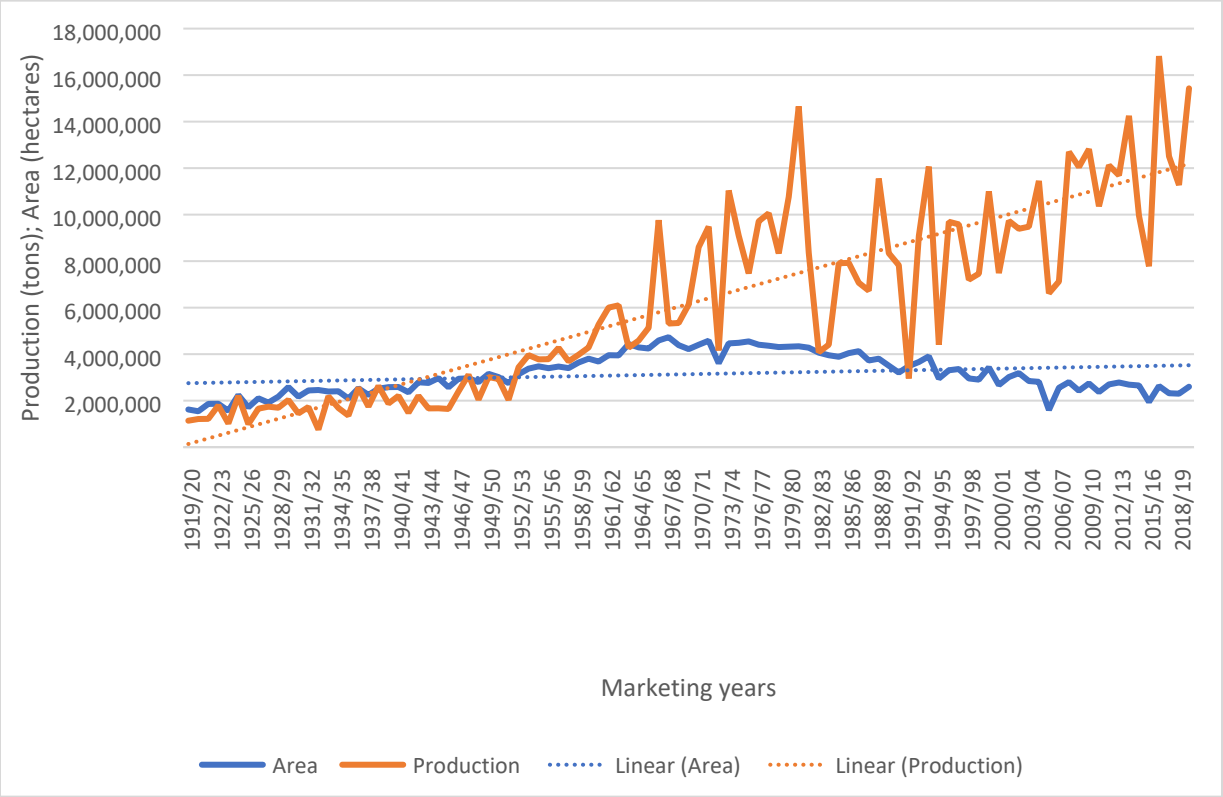
[1] The marketing years (MY) used in the text refers to the USDA marketing years in the PS&D table, and do not necessarily correspond with the marketing years used by the South African grain industry.

Figure 1: The area planted and production of commercial corn in South Africa the past 100 years



Although a lack of rainfall in the second part of the season and early frost could still have a negative impact on expected yields, industry analysts and experts that Post interviewed all agreed that a plenteous corn crop will be produced in the 2019/20 MY. In early March, Post did crop yield assessments in the major corn producing areas and confirmed the expectations of a bumper corn crop. Hence, Post estimates the 2019/20 MY commercial corn crop at 15.4 million tons, which is 37 percent higher than the previous season and at a national average yield of 5.9 tons per hectare. Post estimates the commercial white corn crop at 8.9 million tons, 60 percent higher than the previous season and the commercial yellow corn crop at 6.6 million tons, 14 percent higher than the previous season. Post kept its production estimate for subsistence producers unchanged at 540,000 tons. Thus, total corn production for South Africa in the 2019/20 MY is estimated at 16.0 million tons, 35 percent higher than the 2018/19 MY's crop of 11.8 million tons.

On February 13, 2020, the CEC finalized the size of the 2018/19 MY commercial corn crop at 11.3 million tons, 0.2 percent higher than the final estimate that was published in November 2019. The CEC finalizes the South African corn crop annually in February after considering total producer deliveries and on-farm usage. Hence, South Africa's total corn crop (including commercial and subsistence producers) for the 2018/19 MY was finalized at 11.8 million tons on 2.6 million hectares at a national average yield of 4.5 tons per hectare.

The following table details area planted, yield and production figures for commercial white corn and yellow corn as well as corn produced by subsistence farmers for the 2018/19 MY (actual), 2019/20 MY (estimate), and 2020/21 MY (forecast).

Table 1: Area planted, yield and production of commercial and subsistence corn in South Africa

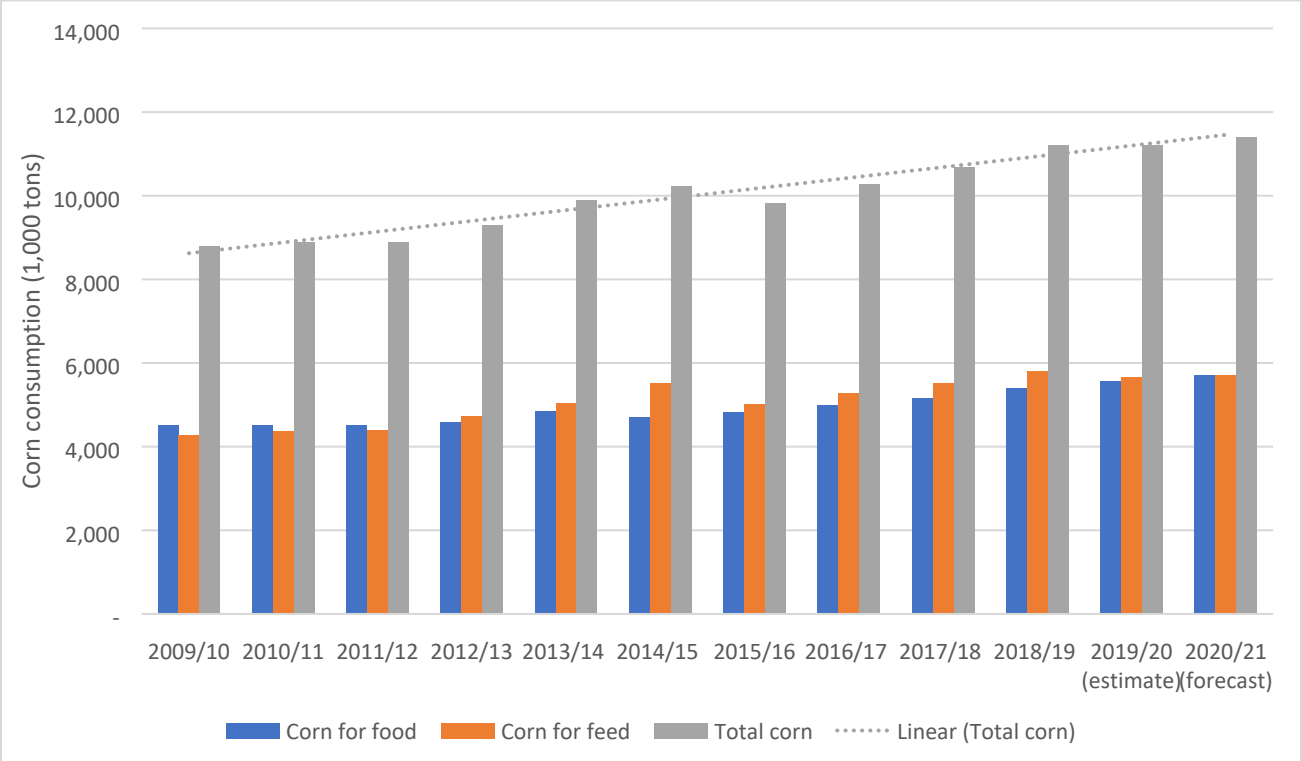
	Area 1,000ha	Yield t/ha	Prod. 1,000 t	Area 1,000ha	Yield t/ha	Prod. 1,000 t	Area 1,000ha	Yield t/ha	Prod. 1,000 t
MY	**2018/19**			**2019/20**			**2020/21**		
Commercial corn									
White	1,298	4.3	5,545	1,596	5.6	8,880	1,270	4.7	6,000
Yellow	1,002	5.7	5,730	1,004	6.5	6,550	1,050	5.8	6,100
Sub Total	**2,300**	**4.9**	**11,275**	**2,600**	**5.9**	**15,430**	**2,320**	**5.2**	**12,100**
Subsistence corn									
White	221	1.7	379	200	1.6	320	200	1.6	320
Yellow	75	2.3	170	100	2.2	220	100	2.2	220
Sub Total	**296**	**1.9**	**549**	**300**	**1.9**	**540**	**300**	**1.9**	**540**
TOTAL	**2,596**	**4.5**	**11,807**	**2,900**	**5.5**	**15,970**	**2,620**	**4.8**	**12,640**

Source: CEC and Post estimates

Consumption

The consumption of corn (white and yellow corn) in South Africa increased, on average, by about 2 percent per annum over the past ten years, mainly driven by population and economic growth (also refer to Figure 2). White corn, in the form of a meal, is the staple food for many South African households, especially for lower income consumers, as it is a relatively inexpensive source of carbohydrates. On the other hand, yellow corn is used as the primary ingredient for animal feed, especially in the broiler industry. Post foresees that the marginal increase in the commercial demand for corn will continue in the 2019/20 MY and 2020/21 MY to 11.4 million tons and 11.6 million tons, respectively. The South African government estimates economic growth of less than two percent in 2020 and 2021, due to structural and policy constraints, which will limit an excessive increase in the demand for corn.

Figure 2: The commercial consumption of corn in the food and feed markets of South Africa since the 2009/10 MY.



Post kept its previous estimate for the commercial demand for corn in South Africa for the 2018/19 MY unchanged at 11.2 million tons. This figure represents a two percent increase in the demand for corn from the previous marketing year and correlates positively with the latest consumption figures released by the South African Grain Information Services (Sagis). Post expects 5.4 million tons of corn will be used for human consumption and 5.6 million tons for animal feed.

Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for the 2018/19 MY (estimate), 2019/20 MY (estimate), and 2020/21 MY (forecast).

Table 2: The commercial consumption of white and yellow corn in South Africa

CORN 1,000 Mt	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
MY	2018/19			2019/20			2020/21		
Human	4,800	600	5,400	4,950	600	5,550	5,100	600	5,700
Animal	500	5,100	5,600	1,000	4,650	5,650	1,000	4,700	5,700
Other	50	152	200	50	150	200	50	150	200
TOTAL	**5,350**	**5,850**	**11,200**	**6,000**	**5,400**	**11,400**	**6,150**	**5,450**	**11,600**

Source: SAGIS; Grain SA

Note: *Please note that consumption figures in the PS&D table may vary, as those also include corn utilized by the subsistence farming sector and commercial on-farm usages.*

Trade

South Africa will remain a net exporter of corn in the 2020/21 MY. Post estimates South Africa should be able to export around 800,000 tons of corn in the 2020/21 MY, despite an expected decrease in commercial production, as stock levels will be relatively high. These exports will mainly be to South Africa's established markets in neighboring countries.

Post estimates South Africa should be able to export about 2.2 million tons of corn in the 2019/20 MY on an expected bumper crop. Much of the white corn exports will be destined to South Africa's neighboring countries, especially Zimbabwe, which experienced a below average crop due to drought conditions. In fact, Zimbabwe is in such a need of corn supplies that it lifted a ban on the importation of genetically engineered corn, which eases access for South African corn exporters. Moreover, a commercial corn crop of more than 15.0 million tons would enable South Africa to export corn beyond its neighboring countries to other markets such as Japan, Taiwan, and South Korea, which were not prominent in the current marketing year.

For the 2018/19 MY, Post increased its estimate for South Africa's corn exports to 1.3 million tons. In the first 10 months of the 2018/19 MY, South Africa already exported 1.1 million tons of corn (766,000 tons of white corn and 323,000 tons of yellow corn). The major markets for South African corn are mainly its neighboring countries with Botswana, Namibia, Zimbabwe Mozambique, Zimbabwe and Eswatini (Swaziland) representing more than 80 percent of corn exports (also see Table 3).

South Africa's imports of corn in the 2018/19 MY have ceased at 478,000 tons on the expectations of a bumper crop in the 2019/20 MY. South Africa imported yellow corn from Argentina and Brazil to augment local production. Post does not expect any corn imports in the 2019/20 MY and 2020/21 MY.

Table 3: South Africa's exports and imports of corn in the 2018/19 MY

	2018/19 MY[1] May 1, 2019 – Apr 30, 2020 (1,000 tons)		
	White corn	**Yellow corn**	**Total**
Export Destinations			
Botswana	158	65	223
Namibia	144	59	203
Zimbabwe	137	43	180
Mozambique	112	43	155
Eswatini (Swaziland)	30	90	120
Ethiopia	74	0	74
Lesotho	44	10	54
Somalia	23	0	23
Tanzania	23	0	23
Uganda	20	0	20
North Korea	0	8	8
South Korea	0	6	6
TOTAL EXPORTS	**766**	**323**	**1,089**
Import suppliers			
Argentina	0	428	428
Brazil	0	50	50
TOTAL IMPORTS	**0**	**478**	**478**

Source: SAGIS
Note: *1. Preliminary export and import data from May 1, 2019 to February 28, 2019*

Prices

Local corn prices started to move towards export parity levels in February as industry role-players realize the possibility of a bumper crop. As of March 12, 2020, white corn prices and yellow corn prices were, respectively, 5 percent and 11 percent lower than the end of January. However, local prices were supported by an increase in export parity prices after a sharp depreciation of the South African Rand exchange rate due to uncertainty in the markets over the COVID-19 outbreak. White corn prices are currently also supported by relative low stock levels. Local corn prices will move closer towards export parity levels as the season develops but will be influenced by global events that will have an impact on South Africa's volatile exchange rate. South Africa's corn market operates in a free market environment, where local, as well as, international factors have an impact on local corn prices. Table 4 indicates the current and future prices of South African corn as on March 12, 2020, while Figure 3 and Figure 4 illustrates the trends in the local prices for white corn and yellow corn since January 2018.

Table 4: Local corn prices

	Futures prices (year/month)				
Commodity	**2020/03**	**2020/05**	**2020/07**	**2020/09**	**2020/12**
White corn	R2,930/t ($177/t)	R2,545/t ($154/t)	R2,406/t ($145/t)	R2,460/t ($149/t)	R2,552/t ($154/t)
Yellow corn	R2,579/t ($156/t)	R2,563/t ($155/t)	R2,546/t ($154/t)	R2,596/t ($157/t)	R2,675/t ($162/t)

Source: GrainSA (as of 03/12/2020)
Note: US$1 = Rand 16.55

Figure 3: The trend in the local price for white corn since January 2018

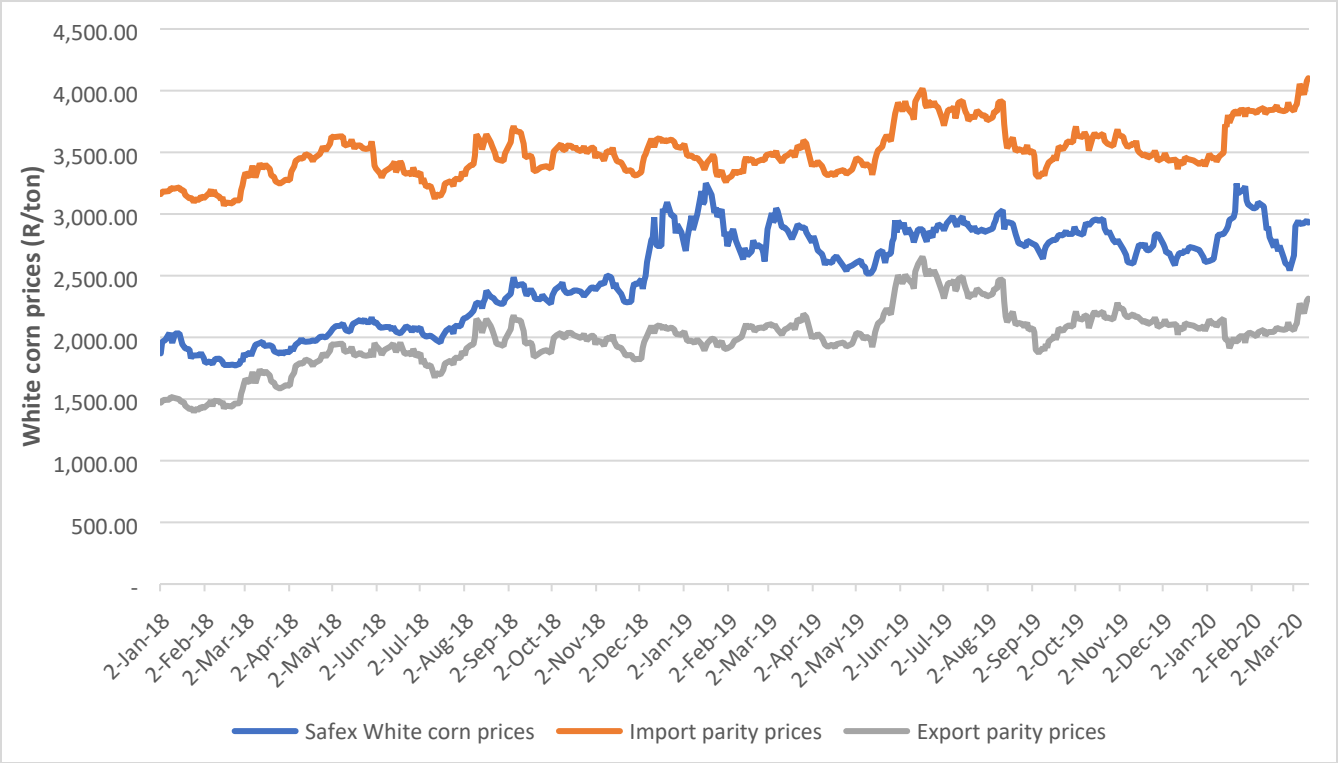


Figure 4: The trend in the local price for yellow corn since January 2018

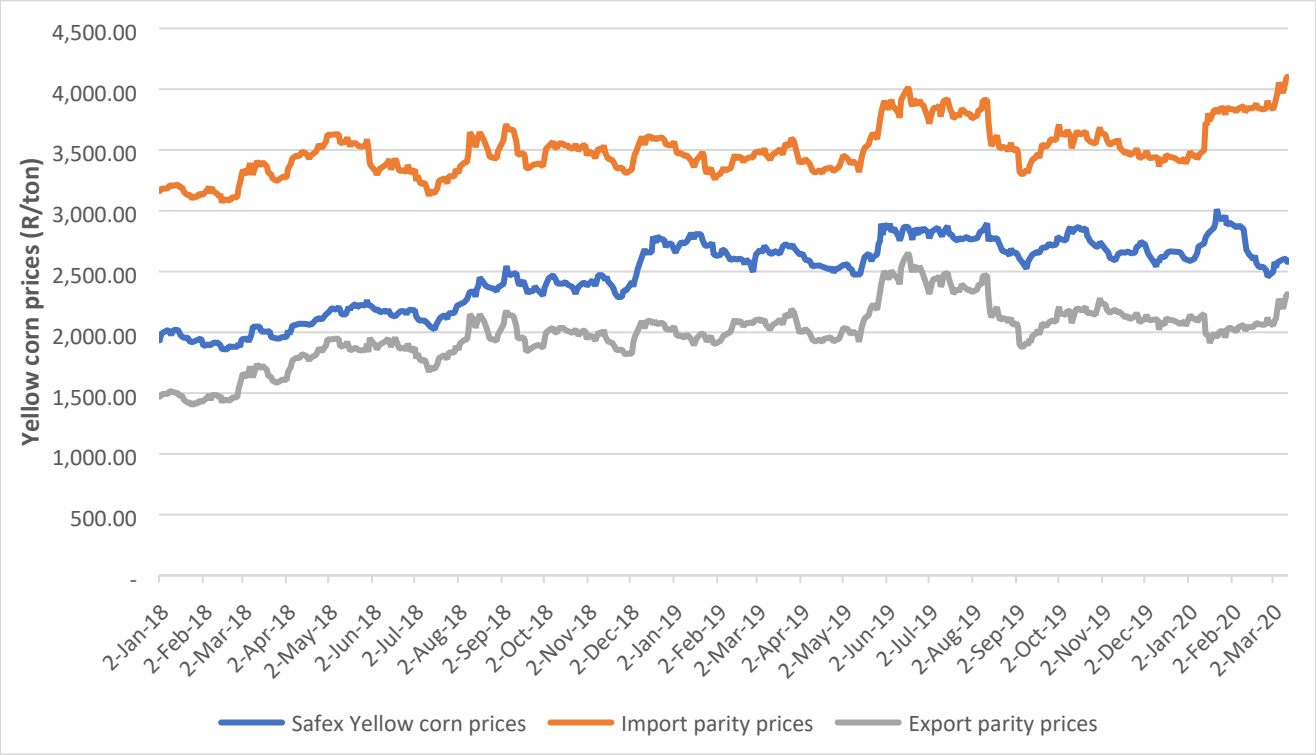


Table 5: PS&D Table for corn

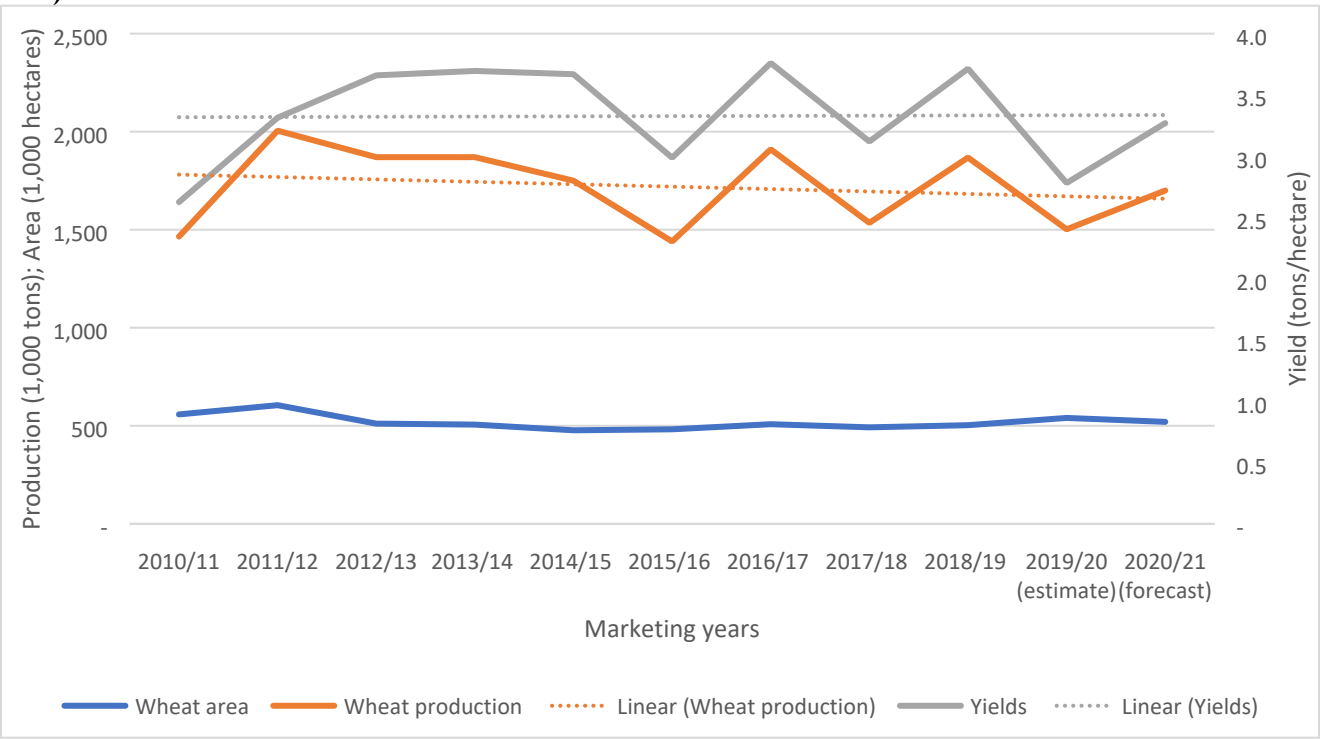
Corn	2018/2019		2019/2020		2020/2021	
Market Begin Year	May 2019		May 2020		May 2021	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2597	2596	3000	2900	0	2620
Beginning Stocks	2672	2672	1826	1279	0	2449
Production	11824	11807	16000	15970	0	12640
MY Imports	600	500	0	0	0	0
TY Imports	423	423	250	0	0	0
TY Imp. from U.S.	2	0	0	0	0	0
Total Supply	15096	14979	17826	17249	0	15089
MY Exports	1170	1300	2500	2200	0	800
TY Exports	1183	1183	2500	2000	0	0
Feed and Residual	6500	6500	6800	6600	0	6650
FSI Consumption	5600	5900	5800	6000	0	6150
Total Consumption	12100	12400	12600	12600	0	12800
Ending Stocks	1826	1279	2726	2449	0	1489
Total Distribution	15096	14979	17826	17249	0	15089
Yield	4.5529	4.5482	5.3333	5.5069	0	4.8244
(1000 HA) ,(1000 MT) ,(MT/HA)						

WHEAT

Production

South Africa's wheat area has stagnated at around 500,000 hectares per annum with an average yield of 3.3 tons per hectare (see also Figure 5). Post does not foresee any major shifts from this trend in the 2020/21 MY, as producers prefer to plant more profitable crops such as canola, oats, corn and soybeans. However, in some areas, especially in the Western Cape Province, wheat production is still the most competitive crop to plant. Hence, Post estimates producers will plant about 520,000 hectares of wheat in the 2020/21 MY, which could realize a crop of about 1.7 million tons, if average yields and normal climatic conditions are assumed.

Figure 5: The trends in wheat area, production and yields in South Africa (2010/11 MY – 2020/21 MY)



On February 26, 2020, the Crop Estimates Committee (CEC) released its final estimate for wheat production in South Africa for the 2019/20 MY. The CEC estimated that South Africa produced 1.5 million tons of wheat which represents a decrease of 20 percent from the previous year's crop of 1.9 million tons. The major reason for the drop in production was unfavourable dry weather conditions in the second half of the wheat production season (August to October), especially in the rainfed areas of the Western Cape and Free State Provinces. In the Western Cape Province, which represents 60 percent of wheat area in South Africa, yields dropped by 30 percent in the 2019/20 MY to 2.0 tons per hectare. In the Free State Province, which represents 24 percent of wheat area yields dropped by 36 percent. The other major wheat producing area in South Africa is the Northern Cape Province, where the impact of the drought conditions was limited as wheat is mainly produce under irrigation. Together these three provinces produced more than 80 percent of South Africa's wheat crop in the 2019/20 MY.

The following table reflects the area planted, yield and production figures of wheat in South Africa for the 2018/19 MY (actual), 2019/20 MY (estimate) and 2020/21 MY (forecast).

Table 6: Area planted and production of wheat in South Africa

MY	Area (hectares)	Yield (tons/ha)	Production (1,000 tons)
2018/19 (actual)	503,350	3.7	1,868
2019/20 (estimate)	540,000	2.8	1,502
2020/21 (forecast)	520,000	3.3	1,700

Source: The Crop Estimates Committee (CEC)

Consumption

South Africa's annual wheat consumption increased on average by about one percent per annum the past ten years. Post expects this trend to continue in the 2020/21 MY with wheat consumption reaching 3.35 million tons. Due to slow economic growth and a bumper corn crop, which will lower the price of corn meal, major increases in the consumption of wheat products are not foreseen. The South African government estimates economic growth of less than two percent for 2020 and 2021. Corn, in the form of a meal, wheat products and rice are the three major starches consumed in South Africa. The annual per capita consumption of corn is the highest at 90kg/person, followed by wheat (55kg/person) and then rice (15kg/person). Consumers can substitute rice, wheat, and corn products based on price and taste preferences. Wheat demand in the 2019/20 MY is expected to be around 3.31 million tons, (also refer to Table 7), in line with a one percent growth rate and marginally higher than the 3.27 million consumed in the 2018/19 MY.

In Table 7, the consumption of wheat in South Africa is illustrated for the 2018/19 MY (actual), 2019/20 MY (estimate) and 2020/21 MY (forecast).

Table 7: Consumption of wheat in South Africa

Wheat (1,000 tons)					
Marketing year	**Human[1]**	**Animal**	**Seed**	**Other**	**TOTAL**
2018/19 (actual)	3,251	3	19	3	3,277
2019/20 (estimate)	3,280	5	20	5	3,310
2020/2021 (forecast)	3,320	5	20	5	3,350

Source: The South African Grain Information Services (Sagis) and Grain SA

Notes: *1. Consumption figures in the PS&D table include imported products like wheat flour uncooked pasta and couscous.*

Trade

Post forecasts South Africa's imports of wheat and wheat products for the 2020/21 MY at 1.9 million tons, 5 percent less than in the 2019/20 MY, mainly due to an estimated 13 percent increase in local production.

Post estimates that imports of wheat and wheat products in the 2019/20 MY will increase by 33 percent to 2.0 million tons, due to a 20 percent drop in production. For the first five months of the 2019/20 MY, South Africa already imported 698,542 tons of wheat, 94 percent more than the same period of the 2018/19 MY. For the 2019/20 MY thus far, Lithuania, Germany and Russia have been the major exporters of wheat to South Africa (see also Table 8). For the 2018/19 MY, South Africa's wheat imports decreased by 37 percent to 1.4 million tons due an increase in local production after favorable weather conditions. Nonetheless, the United States was the third leading supplier.

Table 8: South Africa's imports of wheat by country

	2018/19 MY (Oct 1, 2018 – Sept 30, 2019) Tons	**2019/20 MY[1] (Oct 1, 2019 – Sept 30, 2020) Tons**
Import Suppliers		
United States	140,127	0
Argentina	35,519	0
Canada	85,428	36,462
Czech Republic	110,636	52,079
Germany	358,343	149,532
Latvia	39,290	54,791
Lithuania	124,161	191,601
Poland	24,998	73,164
Russia	401,385	87,714
Ukraine	48,210	53,199
TOTAL IMPORTS	**1,368,097[2]**	**698,542**

Source: Sagis

Notes: *1. Preliminary import data from October 1, 2019 to February 28, 2020*

2. Trade figures in the PS&D table include the trade in wheat flour and other wheat products like uncooked pasta and couscous.

South Africa also exports wheat to nearby countries in the Southern Africa region and acts as a conduit for grain imported from outside the region (also refer to Table 9). South Africa's exports of wheat are expected to be around 100,000 tons in the 2020/21 MY and 2019/20 MY. In the 2018/19 MY, South Africa exported 108,257 tons of wheat to countries in the Southern Africa region.

Table 9: South Africa's exports of wheat by country

	2018/19 MY	**2019/20 MY[1]**

	(Oct 1, 2018 – Sept 30, 2019) Tons	(Oct 1, 2019 – Sept 30, 2020) Tons
Export destinations		
Botswana	30,058	4,684
Eswatini (Swaziland)	4,422	5,795
Lesotho	13,662	2,000
Mozambique	1,594	0
Namibia	9,865	7,729
Zambia	21,244	0
Zimbabwe	27,412	2,472
TOTAL EXPORTS	**108,257**	**22,680**

Source: Sagis

Notes: *1. Preliminary export data from October 1, 2019 to February 28, 2020*

2. Trade figures in the PS&D table include the trade in wheat flour and other wheat products like uncooked pasta and couscous.

South Africa's current import tariff for wheat, effective from March 2, 2020, is R516.60 per ton ($31/ton). The current wheat import tariff is 33 percent lower than the previous import tariff of R776.20 ($47/ton) that was published on January 17, 2020. The South African wheat tariff is calculated by means of a variable tariff formula in order to ensure that local wheat prices are maintained when the international prices are decreasing and *vice versa* to support local consumers when international wheat prices are increasing. However, in order to fulfil South Africa's commitment under the World Trade Organization agreement regarding market access, an annual quota of 108,279 tons of wheat can enter South Africa at a rebate of 14.4 percent from the full duty (see also Table 10). In addition, the Economic Partnership Agreement (EPA) between South Africa and the European Union (EU) that came into effect in 2016 allows for an annual Tariff Rate Quota (TRQ) of 300,000 tons of wheat from countries in the EU. The wheat imported under the TRQ must be destined for final consumption in South Africa and is only allowed to enter from February 1 to October 31 every year.

Table 10: South Africa's import tariffs for wheat

General	European Union (EU)	European Free Trade Association (EFTA)	Southern Africa Development Community (SADC)	Mercosur	WTO Minimum Market Access	
					Annual quota	Extent of rebate
R516.60/ton ($31/ton)	EPA trade agreement - 300,000 tons import tariff free from February 1 to October 31	R516.60/ton	Free	R516.60/ ton	108,279	Full duty less 14.4%

Source: South African Revenue Services (SARS), Sagis

Prices

South Africa's local wheat prices are illustrated in Table 11. Local wheat prices are currently trading at around R4,935 per ton ($298/ton). As South Africa is a net importer of wheat, local wheat prices usually follow the overall trend in import parity prices (see also Figure 6). As a result, local wheat prices increased by 10 percent year-on-year. Local wheat prices will continue to trade at import parity levels in the foreseeable future and as a result will be impacted by movements in world wheat prices, the strength of the South African rand exchange rate and the fluctuations in transport costs.

Table 11: Local prices for wheat

	Futures prices (year/month)			
Commodity	**2019/03**	**2019/05**	**2019/07**	**2019/09**
Wheat	R4,935/t ($298/t)	R4,950/t ($299/t)	R4,968/t ($300/t)	R4,779/t ($289/t)

Source: GrainSA (as of 03/10/2020)
Note: US$1 = Rand 16.55

Figure 6: The trend in the local price for wheat since January 2018

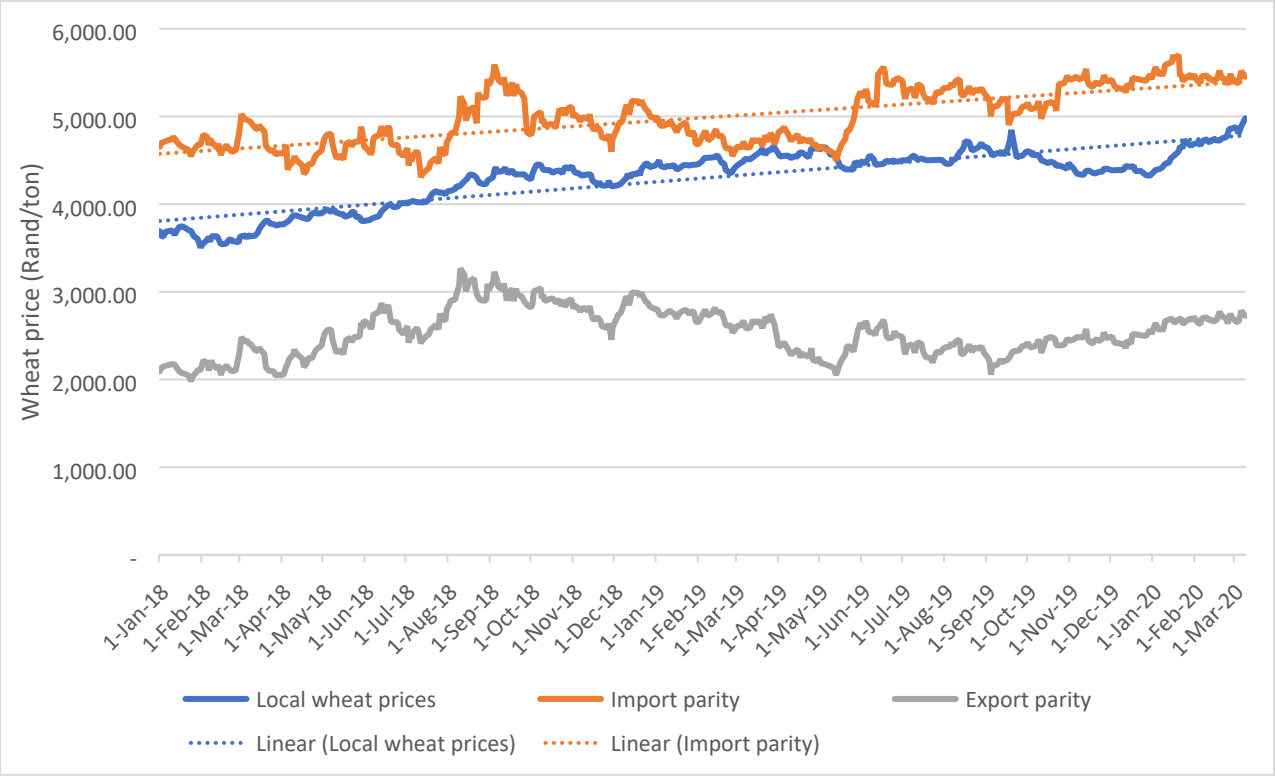


Table 12: PS&D Table for Wheat

Wheat	2018/2019		2019/2020		2020/2021	
Market Begin Year	Oct 2018		Oct 2019		Oct 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	503	503	540	540	0	520
Beginning Stocks	834	834	639	639	0	551
Production	1868	1868	1500	1502	0	1700
MY Imports	1501	1501	2000	2000	0	1900
TY Imports	1586	1586	2000	2000	0	1900
TY Imp. from U.S.	144	144	0	0	0	0
Total Supply	4203	4203	4139	4141	0	4151
MY Exports	118	129	100	120	0	120
TY Exports	102	102	100	100	0	100
Feed and Residual	30	30	30	30	0	30
FSI Consumption	3416	3405	3400	3440	0	3485
Total Consumption	3446	3435	3430	3470	0	3515
Ending Stocks	639	639	609	551	0	516
Total Distribution	4203	4203	4139	4141	0	4151
Yield	3.7137	3.7137	2.7778	2.7815	0	3.2692
(1000 HA) ,(1000 MT) ,(MT/HA)						

RICE

Production

South Africa is dependent on rice imports to meet the local demand as rice production is insignificant in the country, due to the high-water requirements of the crop. As a result, rice imports are duty free and local consumption is derived from publicly available import data.

Consumption

Corn, in the form of a meal, wheat products and rice are the three major starches consumed in South Africa. The annual per capita consumption of corn is the highest at 90kg/person, followed by wheat (55kg/person) and then rice (15kg/person). Consumers can substitute rice, wheat and corn products based on price and taste preferences. However, the demand for corn and wheat products is also relatively price inelastic, diminishing major shifts in consumption due to price movements. This makes the rice market in South Africa extremely price sensitive. More than 90 percent of rice consumed in South Africa is parboiled with the balance made up primarily of the Basmati variety.

South Africa's rice consumption has grown by about 3 percent per annum the past 10 years (see also Figure 7). A rising middle class has led to increased rice consumption, but due to poor economic progress in the recent past, the growth in rice consumption has declined to around 1 percent per annum. With economic growth expected to continue to be sluggish, due to structural and policy constraints, and a projected 35 percent increase in the 2019/20 MY's corn crop, Post foresees that the marginal increase in the demand for rice will continue in the 2019/20 MY and 2020/21 MY to 925,000 tons and 935,000 tons, respectively (also refer to Table 13).

Figure 7: The trend in consumption of rice in South Africa the past 10 years

Table 13: The consumption of rice in South Africa

Marketing years	2018/19	2019/20	2020/21

	(actual)	(estimate)	(forecast)
Consumption (1,000 tons)	918	925	935

Imports

In the 2020/21 MY, South Africa's rice imports are expected to increase by only 1 percent to 1.1 million tons on a marginal increase in demand. In the 2019/20 MY post estimates South Africa will import about 1.0 million tons of rice, which is at the same level as in the 2018/19 MY. Thailand and India, together, supply more than 95 percent of South Africa's rice demand in the 2018/19 MY, with Thailand's contribution almost 75 percent (see also Table 14).

Table 14: South Africa imports of rice (metric tons)

Countries	**2018/19 MY (May 1, 2018 – Apr 30, 2019) (1,000 tons)**	**2019/20MY[1] (May 1, 2019 – Apr 30, 2020) (1,000 tons)**
Thailand	768	562
India	219	141
Others not Listed	27	34
Grand Total	**1,014**	**737**

Source: Trade Data Monitor
Note: *1. Preliminary import data from May 1, 2018 to January 31, 2020*

Exports

South Africa imports relatively small amounts of rice to re-export to neighboring countries, especially to Eswatini and Botswana. In the 2018/19 MY, South Africa exported about 113,000 tons of rice to neighboring countries. Post estimates rice exports would stabilize at around 115,000 tons in the 2019/20 MY and 2020/21 MY on limited demand.

Table 15: PS&D Table for rice

Rice, Milled	2018/2019	2019/2020	2020/2021

Market Begin Year	May 2018		May 2019		May 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	75	75	55	58	0	58
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	1010	1014	1050	1040	0	1050
TY Imports	966	966	1050	1040	0	1050
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1085	1089	1105	1098	0	1108
MY Exports	112	113	125	115	0	115
TY Exports	111	111	125	115	0	115
Consumption and Residual	918	918	925	925	0	935
Ending Stocks	55	58	55	58	0	58
Total Distribution	1085	1089	1105	1098	0	1108
Yield (Rough)	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA)						

Attachments:

No Attachments